

RD AN No. 3656 (1980-D)
May 31, 2001

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors
Guaranteed Rural Housing Specialists
Rural Development Managers
Community Development Managers

FROM: James C. Alsop *(Signed by James C. Alsop)*
Acting Administrator
Rural Housing Service

SUBJECT: Single Family Housing Guaranteed Loan program
Form RD 1980-17, "Loan Note Guarantee"

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify RHS procedure on the issuance and retention of Form RD 1980-17, "Loan Note Guarantee," and affirm policy on a lender's request for a copy or duplicate.

COMPARISON WITH PREVIOUS AN:

This AN replaces RD AN No. 3559 (1980-D) dated June 19, 2000.

IMPLEMENTATION RESPONSIBILITIES:

Form RD 1980-17 constitutes the Government's obligation to guarantee the associated loan. The holding lender must retain the original Loan Note Guarantee with the original Promissory Note at all time.

EXPIRATION DATE:
May 31, 2002

FILING INSTRUCTIONS:
Preceding RD Instruction 1980-D

When a lender requests issuance of Form RD 1980-17, the lender should inform the Agency of the address to which the document should be sent. If issuance has been requested but the address information provided with the request changes before the Form RD 1980-17 is received, the requesting lender should forward the document upon receipt to the appropriate party with instructions to attach it to and retain it with the original Promissory Note. Lenders are reminded that if the loan has been sold or the servicing rights transferred, the Agency should be notified as soon as possible by submitting Form RD 1980-11, "Guaranteed Rural Housing Lender Record Change."

On occasion, a lender may lose track of and require a certified copy or a duplicate original of Form RD 1980-17. Many lenders accept a certified copy as evidence that the loan is guaranteed, while others will accept a certified copy only with some form of written authorization from the Agency. Some lenders require a duplicate original. Individual requirements are often dictated by secondary market standards.

If a lender loses Form RD 1980-17, RHS may issue a certified copy as a replacement. In those cases where a lender will not accept a certified copy without written authorization or requires a duplicate original, a duplicate original should be generated and issued by the Agency as soon as possible. RHS will accept a certified copy or duplicate original of Form RD 1980-17 as evidence of the Government's obligation to guarantee the associate loan.

Questions regarding this AN may be directed to any member of the SFH Guaranteed Loan Division, at (202) 720-1452.